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Upon recording return to:
Jackson, Bowman & Blumentritt, PLLC
309 South 40th Avenue
Hattiesburg, Mississippi 39402

RELEASE OF MORTGAGES

This RELEASE OF MORTGAGES (hereinafter called this "Release"), dated as of October 20, 2009, is made by U.S. BANK NATIONAL ASSOCIATION, as successor to Morgan Guaranty Trust Company of New York, in its capacity as bond trustee under the 1985G Bond Indenture (as hereinafter defined) (the "1985G Bond Trustee") to SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION (the "Company").

WHEREAS, certain of the Company's indebtedness is secured under one or more of the following mortgage instruments (such mortgage instruments, together with any predecessor instruments thereto and identified therein, collectively, the "Existing Mortgage"):

1. Supplement No. 2, dated as of March 1, 2007, to Supplement, dated as of July 3, 2000, to Restated and Consolidated Mortgage and Security Agreement, among the Company, as mortgagor, and the United States of America (the "Government"), acting by and through the Administrator of the Rural Utilities Service ("RUS"), National Rural Utilities Cooperative Finance Corporation ("CFC") and CoBank, ACB ("CoBank"), as mortgagees (the "2007 Mortgage");

2. Supplement, dated as of December 1, 2003, to Supplement, dated as of July 3, 2000, to Restated and Consolidated Mortgage and Security Agreement, among the Company, as mortgagor, and the Government, acting by and through the Administrator of the RUS, CFC and CoBank, as mortgagees (the "2003 Mortgage");

3. Supplement to Restated and Consolidated Mortgage and Security Agreement, dated as of July 3, 2000, among the Company, as mortgagor, and the Government, acting by and through the Administrator of the RUS, CFC and CoBank, as mortgagees (the "2000 Mortgage");

4. Restated and Consolidated Mortgage and Security Agreement, dated as of October 25, 1995, among the Company, as mortgagor, and the Government, acting by

DESOTO COUNTY
PLEASE RECORD AND INDEX IN THE
DIRECT/REVERSE ALPHABETICAL LAND
DEED OF TRUST INDEX-INDEFINITE

DESOTO COUNTY
SE ¼, Section 33, T-2-S, R-10-W

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and through the Administrator of the RUS, CFC and CoBank, as mortgagees (the "*1995 Mortgage*");

5. Consolidated Mortgage and Security Agreement, dated as of August 13, 1987, among the Company, as mortgagor, and the Government, acting by and through the Administrator of the RUS (as successor to the Rural Electrification Administration), CFC and CoBank (as successor to Jackson Bank for Cooperatives), as mortgagees;

6. Supplemental Mortgage and Security Agreement, dated as of November 15, 1985, among the Company, as mortgagor, and the Government, acting by and through the Administrator of the RUS (as successor to the Rural Electrification Administration), CFC and CoBank (as successor to Jackson Bank for Cooperatives), as mortgagees;

7. Supplemental Mortgage and Security Agreement, dated as of July 30, 1984, among the Company, as mortgagor, and the Government, acting by and through the Administrator of the RUS (as successor to the Rural Electrification Administration), CFC and CoBank (as successor to New Orleans Bank for Cooperatives), as mortgagees;

8. Supplement to Supplemental Mortgage and Security Agreement, dated as of October 2, 1980, between the Company, as mortgagor, and the Government, acting by and through the Administrator of the RUS (as successor to the Rural Electrification Administration), and CFC, as mortgagees;

9. Supplement to Supplemental Mortgage and Security Agreement, dated as of March 31, 1980, among the Company, as mortgagor, and the Government, acting by and through the Administrator of the RUS (as successor to the Rural Electrification Administration), and CFC, as mortgagees;

10. Supplemental Mortgage and Security Agreement, dated as of November 1, 1977, between the Company, as mortgagor, and the Government, acting by and through the Administrator of the RUS (as successor to the Rural Electrification Administration), and CFC, as mortgagees;

11. Supplemental Mortgage, dated as of July 20, 1977, between the Company, as mortgagor, and the Government, acting by and through the Administrator of the RUS (as successor to the Rural Electrification Administration), as mortgagee; and

12. Mortgage, dated as of September 18, 1974, between the Company, as mortgagor, and the Government, acting by and through the Administrator of the RUS (as successor to the Rural Electrification Administration), as mortgagee.

WHEREAS, the Company is the obligor with respect to those certain outstanding Claiborne County, Mississippi National Rural Utilities Cooperative Finance Corporation Guaranteed Floating/Fixed Rate Pollution Control Revenue Bonds (South Mississippi Electric Power Association Project) Pooled Series 1985G (the "*Series 1985G Bonds*"). The Series 1985G Bonds were issued under that certain Indenture of Trust, dated as of December 1, 1985

(the "*1985G Bond Indenture*") between Claiborne County, Mississippi and the 1985G Bond Trustee. The Series 1985G Bonds were also secured by and subject to the provisions of the Pool Indenture, dated as of December 15, 1983, as from time to time supplemented and amended (the "*1985G Pool Indenture*"), among CFC, the various bond trustees and Deutsche Bank Trust Company Americas, formerly known as Bankers Trust Company, as pool trustee (the "*1985G Pool Trustee*"), as supplemented by a Series 1985G Supplemental Indenture to Pool Indenture, dated as of December 15, 1985, among CFC, the 1985G Bond Trustee and the 1985G Pool Trustee. The 1985G Bond Trustee and the 1985G Pool Trustee are collectively referred to herein as the "*1985G Trustees*"; and

WHEREAS, pursuant to a Guaranty, Assignment and Agency Agreement, dated as of November 15, 1985 (the "*1985G Assignment*"), CFC assigned and delivered to the 1985G Trustees, the "Project Note" (as defined in the 1985G Bond Indenture) (the "*1985G Project Note*") and, to the extent it secured the 1985G Project Note, an interest under the Existing Mortgage; and

WHEREAS, all or some of the instruments comprising the Existing Mortgage, together with the 1985G Assignment, have been recorded in the real property records in the counties specified on *Exhibit A* attached hereto and hereby made a part hereof (with recording information for certain of such instruments also identified on *Exhibit A*); and

WHEREAS, the Company has entered into and recorded that certain Indenture of Deed of Trust, Security Agreement and Financing Statement, dated as of September 1, 2009, from the Company to U.S. Bank National Association, as trustee (the "*Indenture*"); and

WHEREAS, as the Indenture is replacing the Existing Mortgage, the Government, acting by and through the RUS, CFC, and CoBank are releasing and discharging all of their respective rights, titles, liens and interests in any and all property of the Company, including without limitation, all property and interests specifically described in the Existing Mortgage (the "*Company Property*"); and

WHEREAS, in connection with the substitution of the Indenture for the Existing Mortgage, the Company also has requested that the 1985G Bond Trustee release and discharge of record any and all rights, titles, liens and interests of the 1985G Bond Trustee in the Company Property through the Existing Mortgage by virtue of the 1985G Assignment; and

NOW, THEREFORE, THESE PRESENTS WITNESSETH that, in consideration of the sum of one dollar in hand paid by the Company to the 1985G Bond Trustee at the time of delivery of the these presents and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the 1985G Bond Trustee hereby CONVEYS AND QUITCLAIMS to the Company all of its rights, titles, liens and interests in the Company Property under or by virtue of the 1985G Assignment or otherwise, and hereby RELEASES AND DISCHARGES OF RECORD any and all of its rights, titles, liens and interests in the Company Property under or by virtue of the 1985G Assignment.

The effect of this Release shall be that any and all rights, titles, liens and interests of the 1985G Bond Trustee in the Company Property by virtue of the 1985G Assignment or otherwise, whether recorded or filed or not, are hereby released.

THIS RELEASE SHALL NOT IN ANY WAY AFFECT OR IMPAIR ANY SECURITY TITLE, LIEN OR INTEREST OF THE 1985G BOND TRUSTEE IN THE COMPANY PROPERTY BY VIRTUE OF THE INDENTURE.

This Release is made by the 1985G Bond Trustee without covenant or warranty, express or implied, at law or in equity, and without recourse to the 1985G Bond Trustee in any event or in any contingency.

(Signature on Following Page)

IN WITNESS WHEREOF, the 1985G Bond Trustee has caused this instrument to be duly executed in its behalf, all as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION, as successor
to Morgan Guaranty Trust Company of New
York, as 1985G Bond Trustee

By: Beverly A. Freney
Beverly A. Freney
Vice President and Account Manager

(Acknowledgment Continued on Following Page)

STATE OF NEW YORK)
) SS
 COUNTY OF QUEENS)

Personally appeared before me, the undersigned authority in and for the said county and state, on this 16th day of October, 2009, within my jurisdiction, the within named Beverly A. Freeney, who acknowledged that she is a Vice President and Account Manager of U.S. Bank National Association, a national banking association, and that for and on behalf of the said national banking association, and as its act and deed she executed the above and foregoing instrument, after first having been duly authorized by said national banking association so to do.

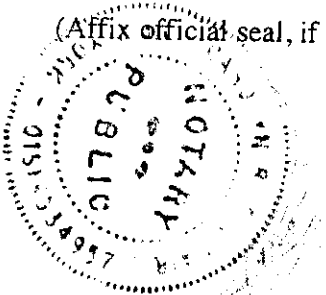
Carolyn R. Sinclair
 (NOTARY PUBLIC)

Carolyn R. Sinclair
 Notary Public, State of New York
 No. 01816034957
 Qualified in Queens County
 Commission Expires Dec 20, 2009

My commission expires:

DECEMBER 20, 2009

(Affix official seal, if applicable)



1. Adams County

2007 Mortgage Book 748, Page 306
2003 Mortgage Book 684, Page 567
2000 Mortgage Book 605, Page 736
1995 Mortgage Book 521, Page 482

2. Amite County

2007 Mortgage Book 328, Page 326
2003 Mortgage Book 301, Page 1
2000 Mortgage Book 269, Page 360
1995 Mortgage Book 234, Page 388

3. Bolivar County
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2007 Mortgage Book H190, Page 415
2003 Mortgage Book H177, Page 175
2000 Mortgage Book H160, Page 553
1995 Mortgage Book H141, Page 50

4. Bolivar County
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2007 Mortgage Book N538, Page 662
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2000 Mortgage Book N423, Page 414
1995 Mortgage Book M211, Page 430

5. Carroll County
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2003 Mortgage Book 198, Page 539
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6. Carroll County
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7. Claiborne County

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9. Coahoma County

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 - 2007 Mortgage Book 2704, Page 275
 - 2003 Mortgage Book 1915, Page 39
 - 2000 Mortgage Book 1250, Page 576
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13. Forrest County
 - 2007 Mortgage Book 1565, Page 0566
 - 2003 Mortgage Book 1348, Page 701
 - 2000 Mortgage Book 1107, Page 262
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 - 2007 Mortgage Book 258, Page 99
 - 2003 Mortgage Book 240, Page 178
 - 2000 Mortgage Book 222, Page 307
 - 1995 Mortgage Book 200, Page 509

15. George County
 - 2007 Mortgage Book 2007, Page 3162
 - 2003 Mortgage Book 336, Page 004
 - 2000 Mortgage Book 267, Page 826
 - 1995 Mortgage Book 200, Page 9

16. Greene County
 - 2007 Mortgage Book 276, Page 141
 - 2003 Mortgage Book 244, Page 177
 - 2000 Mortgage Book 210, Page 107
 - 1995 Mortgage Book 171, Page 509

17. Hancock County
 - 2007 Mortgage Book 2007, Page 18501
 - 2003 Mortgage Book 814, Page 709
 - 2000 Mortgage Book 604, Page 388; Indefinite Book 1, 16
 - 1995 Mortgage Book 442, Page 55

18. Harrison County
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2003 Mortgage	Book 2791, Page 437
2000 Mortgage	Book 2138, Page 517
1995 Mortgage	Book 1653, Page 36

19. Harrison County
(Second Judicial District)

2007 Mortgage	Instrument 2007 30JOT-J2
2003 Mortgage	Book 824, Page 381
2000 Mortgage	Book 603, Page 617
1995 Mortgage	Book 433, Page 151

20. Hinds County
(First Judicial District)

2007 Mortgage	Book 6680, Page 494
2003 Mortgage	Book 5974, Page 369
2000 Mortgage	Book 5286, Page 319
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21. Hinds County
(Second Judicial District)

2007 Mortgage	Book 575, Page 01
2003 Mortgage	Book 442, Page 64
2000 Mortgage	Book 358, Page 192
1995 Mortgage	Book 287, Page 200

22. Holmes County

2007 Mortgage	Book 2007, Page 2783
2003 Mortgage	Book 312, Page 378
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23. Humphreys County
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33. Lawrence County
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35. Lincoln County

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36. Marion County

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 - 2007 Mortgage Book 0749, Page 0736
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42. Quitman County
 - 2007 Mortgage Book 253, Page 245
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46. Simpson County
 - 2007 Mortgage Book 2153, Page 487
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47. Smith County
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